



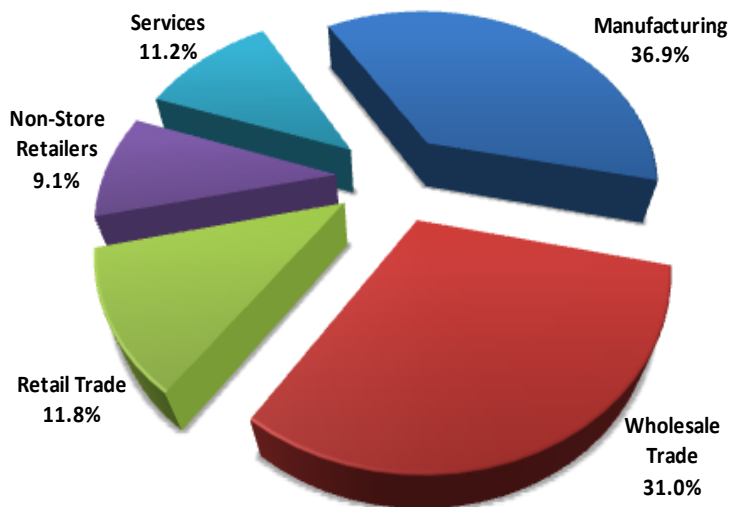
Missouri Economic Research Brief E-Commerce Industries

Missouri's E-Commerce

Missouri's 2010 E-Commerce sales were estimated at \$3.1 billion, constituting about 1.3% of the gross state product. E-commerce sales in manufacturing accounted for \$1.1 billion, followed by wholesale trade at \$968 million, retail trade at \$368 million, services at \$350 million, and non-store retailers at \$284 million. An estimated 187,560 workers were employed at 7,479 firms in Missouri.

E-Commerce retail sales were estimated for each county based on market share and the map below shows that E-Commerce retail sales in the regions surrounding major metropolitan areas are relatively higher than the rest of the state. A few exceptions are Taney, Pettis, and St. Francois Counties.

Missouri's E-Commerce Sales Share by Industry



Missouri E-Commerce Facts

Employment

187,560

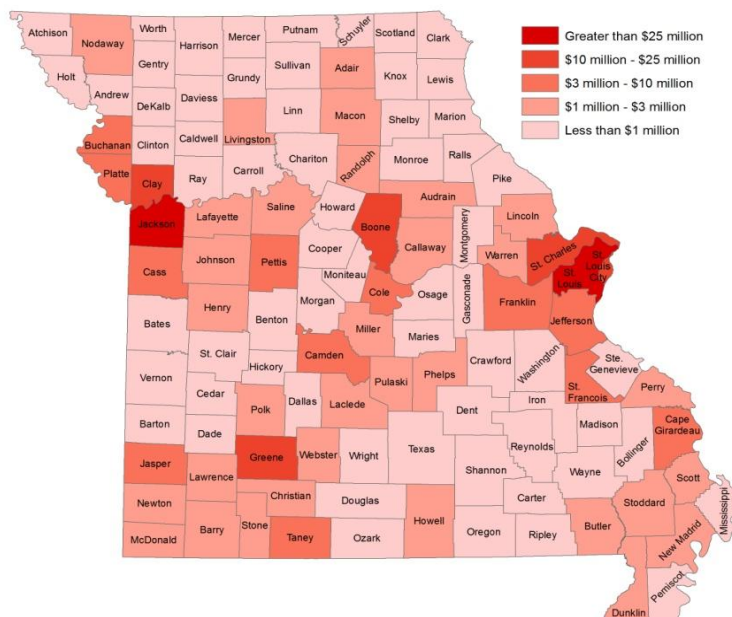
Sales

\$3.1 Billion

Number of Firms

7,479

Estimated E-Commerce Retail Sales, 2010



Missouri's E-Commerce Labor, 2009

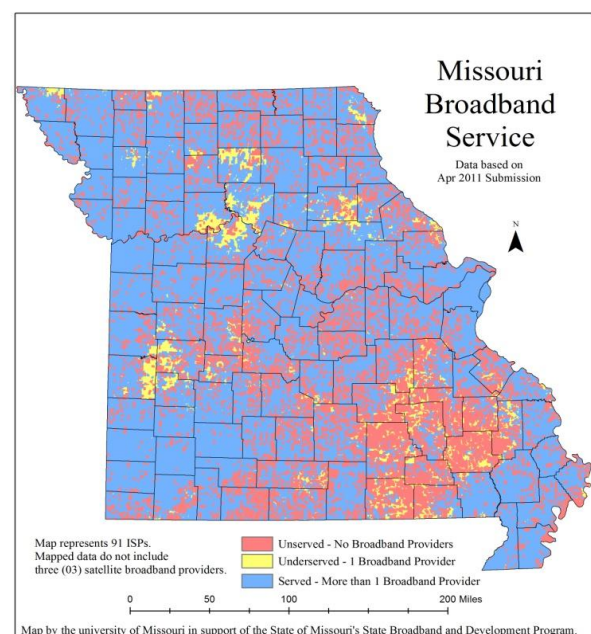
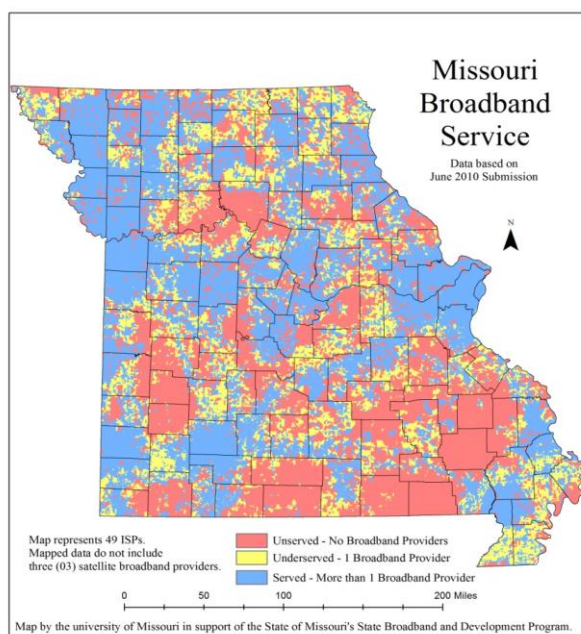
Missouri's E-Commerce industries include manufacturing, wholesale trade, retail trade, non-store retailers and services. Among these sectors, workers in the wholesale trade sector are paid the highest wages, the manufacturing sector employs the most workers and services sector has the most firms.

E-Commerce Sectors	Average Income per Worker	Employment	% Total Emp	% Total Firms	% Total Firms
Manufacturing	\$48,100	102,428	54.6%	2,524	33.7%
Wholesale Trade	\$51,219	21,642	11.5%	1,551	20.7%
Retail Trade	\$25,307	1,892	1.0%	158	2.1%
Non-Store Retailers	\$34,044	4,776	2.5%	381	5.1%
Services	\$45,669	56,822	30.3%	2,865	38.3%

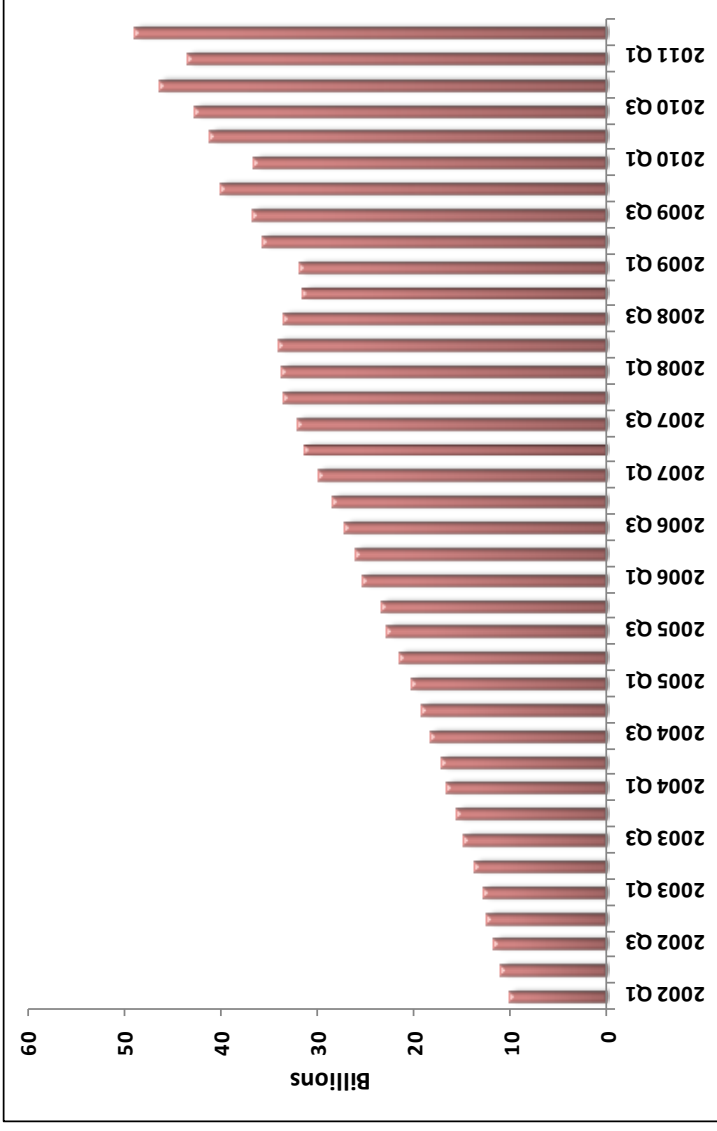
Expanding E-Commerce

Missouri recognizes the importance of broadband access as an economic development tool, particularly in preserving rural economies through e-commerce activities. Farmers can have access to real time commodity trading information and supplier information. Smaller hospitals are able to serve more patients through the electronic transfer of medical records and diagnostic tests, and also through medical expertise provided by remote diagnostic technologies. Existing businesses can increase efficiency and expand their market. Entrepreneurs and innovators can remain and invest in an area while still accessing their client base.

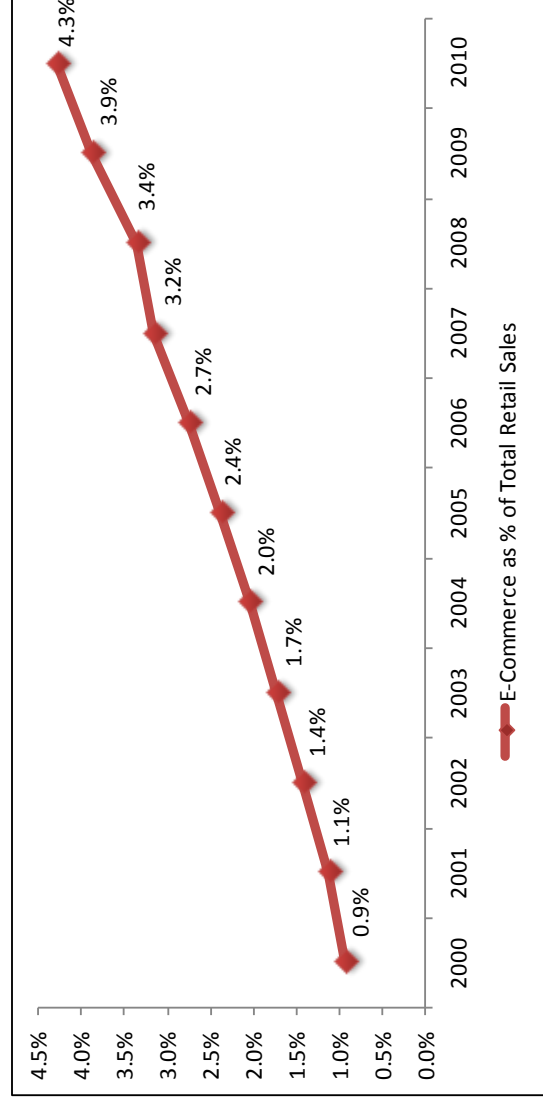
In 2010, Missouri organized an initiative to expand broadband access throughout the state. The public-private partnership entitled "MoBroadbandNow" set goals of increasing broadband access from 79% of the state in 2010 to 95% by 2014. The maps below show the rapid progress occurring since the project began.



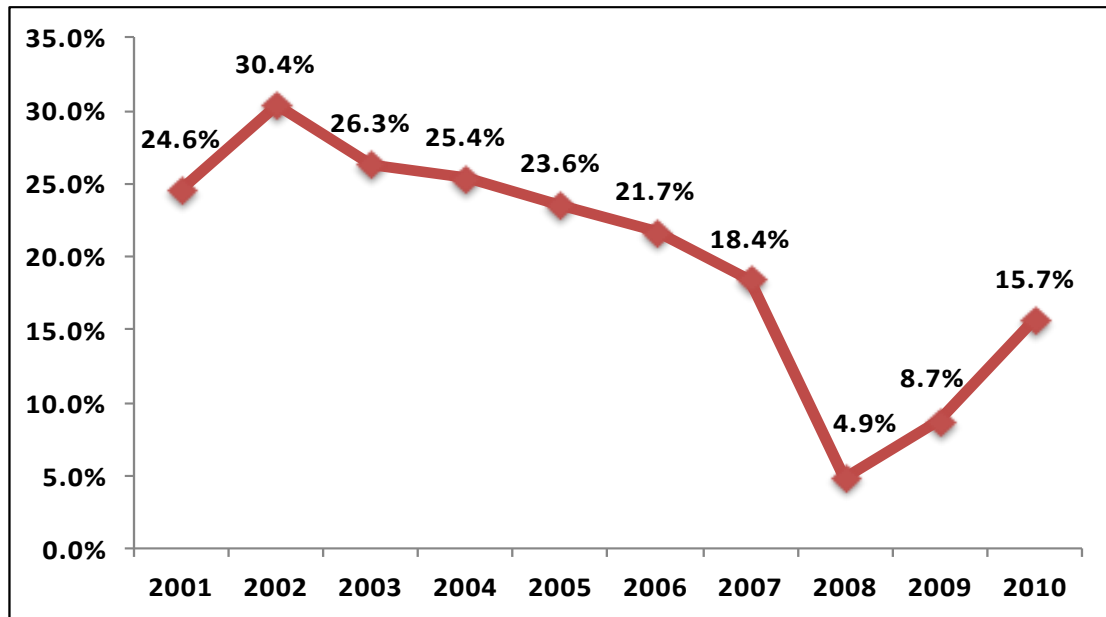
Quarterly U.S. E-Commerce Retail Sales



The quarterly U.S. E-Commerce retail sales have rebounded in general after steady growth was interrupted in 2008. The proportion of E-Commerce retail sales to that of total retail sales has also grown steadily from 0.9% in 2000 to 4.3% in 2010 as shown in the chart below. At the same time the rate of E-Commerce retail sales growth declined from its peak in 2002 at 30.4% to 4.9% in 2008 with a recovery to 15.7% in 2010.

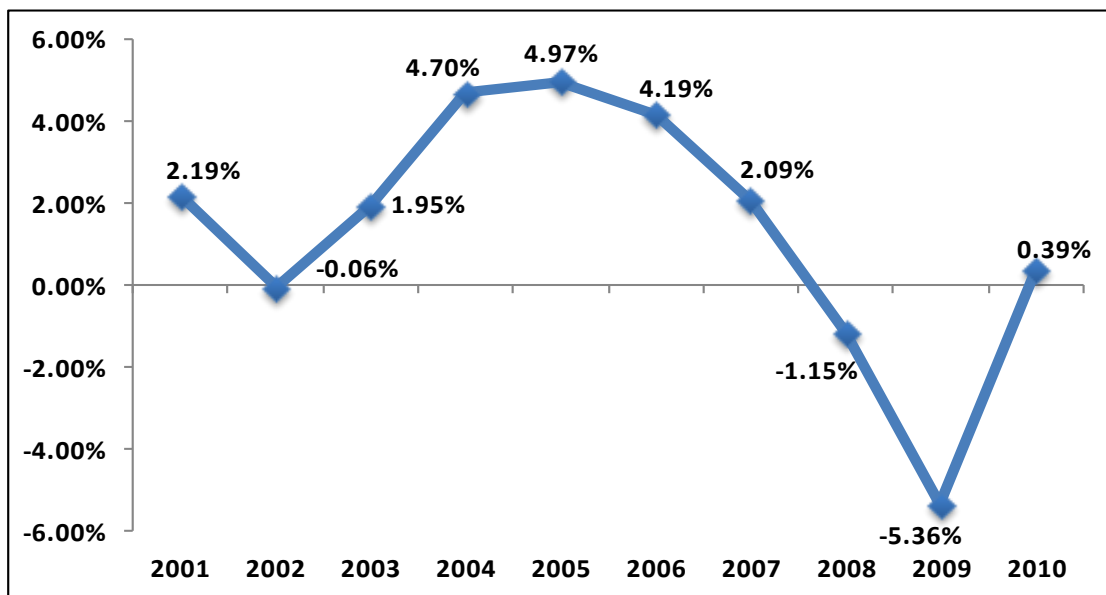


Annual U.S. E-Commerce Retail Sales Growth



Source: US Census Bureau Quarterly E-Commerce Sales Data

Missouri Retail Sales Growth Rate, 2001-2010



Source: Missouri Department of Revenue Taxable Sales Data

Missouri retail sales growth rate jumped significantly from -.06% in 2002 to nearly 5% in 2005, and began to slowly decline in 2006. The decline accelerated to -1.15% in 2008 all the way down to -5.36% in 2009 before recovering to 0.39% in 2010.

E-Commerce & Entrepreneurs

New or “young” businesses are more inclined to take advantage of online technologies as a means of marketing and direct sales. According to a study by the Kauffman Foundation, more than half of new or “young” businesses operate a website; in contrast only 24.8% of all firms surveyed operate a website. Online sales also make up a higher portion of new or “young” businesses total sales (26.8%) compared with a 6% average for all firms. In addition, a quarter of “young” business online sellers generate more than half of their revenues online.

The study also found new businesses that use e-commerce technologies typically start bigger with greater financial capital and employment levels, particularly when those firms include a website. Clearly, investment in broadband expansion can help grow and retain these businesses in Missouri.

<i>Prevalance of Internet Activities</i>		
	Website	Internet Sales
All Firms	24.8%	6.0%
Young Firms	51.5%	26.8%
Employer Only Firms	40.5%	7.3%

*Source: Kauffman Foundation, 2011

Notes

According to the US Census Bureau, E-Commerce is defined as goods and services sold online whether over open networks such as the internet, or proprietary networks running systems such as electronic data interchange.

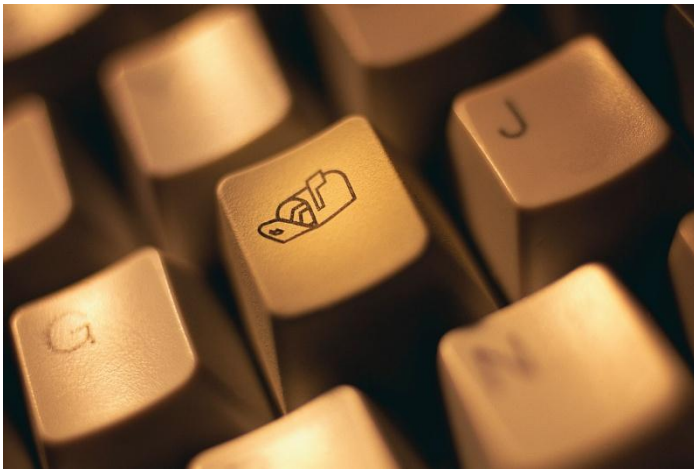
E-Commerce data were collected by US Census Bureau in four surveys using different measures of economic activity such as manufacturing shipments, wholesale trade, retail trade and revenue from services.

E-Commerce retail sales for Missouri were estimated in the following steps:

1. The total E-Commerce sales for Missouri were obtained for the year 2008.
2. The market share of retail sales for each county relative to the state were calculated based on taxable sales collected.
3. Based on the assumption that the market share of retail sales is equivalent to the market share of E-Commerce retail sales, the E-Commerce retail sales for each county was apportioned from the total E-Commerce retail sales for Missouri.

Data Sources

U.S. Census Bureau Quarterly Retail E-Commerce Sales Data
U.S. Census Bureau E-Commerce Multi-sector Data Tables
Missouri Department of Revenue Taxable Sales Data
Bureau of Labor Statistics -Quarterly Census of Employment and Wages Data
Missouri Retail Trade Analysis 2000-2007, MERIC Report
State of Missouri Governor’s Office, www.mobroadbandnow.com
Kauffman Foundation, <http://www.kauffman.org/newsroom/startup-companies-leading-transition-to-online-business-activities.aspx>



NAICS E-Commerce Industries

311	Food manufacturing
312	Beverage and tobacco product manufacturing
313	Textile mills
314	Textile product mills
315	Apparel manufacturing
316	Leather and allied product manufacturing
321	Wood product manufacturing
322	Paper manufacturing
323	Printing and related support activities
324	Petroleum and coal products manufacturing
325	Chemical manufacturing
326	Plastics and rubber products manufacturing
327	Nonmetallic mineral product manufacturing
331	Primary metal manufacturing
332	Fabricated metal product manufacturing
333	Machinery manufacturing
334	Computer and electronic product manufacturing
335	Electrical equipment, appliance, and components
336	Transportation equipment manufacturing
337	Furniture and related product manufacturing
339	Miscellaneous manufacturing
423	Durable goods
424	Nondurable goods
441	Motor vehicles and parts dealers
442	Furniture and home furnishings stores
443	Electronics and appliance stores
444	Building materials and garden equipment and supplies stores
445	Food and beverage stores
448	Clothing and clothing accessories stores
452	General merchandise stores
453	Miscellaneous store retailers
454	Non-store retailers
484	Truck transportation
492	Couriers and messengers
493	Warehousing and storage
511	Publishing industries (except Internet)
517	Telecommunications
518	Internet service providers and web search portals
523	Securities and commodity contracts intermediation and brokerage
532	Rental and Leasing Services
541	Computer systems design and related services
561	Travel arrangement and reservation services
62	Health Care and Social Assistance Services
71	Arts, Entertainment, and Recreation Services
72	Accommodation and Food Services
811	Repair and maintenance
813	Religious, grantmaking, civic, professional, and similar organizations
